

THE NEW JEWISH HOME
POLICY ON CONFLICTS OF INTEREST

Purpose

This conflict of interest policy applies to the affiliated group of companies known as The New Jewish Home (collectively referred to as “TNJH”), which includes The New Jewish Home; The New Jewish Home, Manhattan; The New Jewish Home, Harry and Jeanette Weinberg Campus, Bronx; The New Jewish Home, Sarah Neuman Center, Westchester; The New Jewish Home, Community Services; The New Jewish Home, Home Assistance Personnel, Inc (H.A.P.I.); The New Jewish Home, Spectrum Services, Inc.; The New Jewish Home, University Avenue Assisted Living, Inc.; The New Jewish Home, Corporate Services, Inc.; Fund for the Aged, Inc.; and additional related entities.

The purpose of the conflict of interest policy is to protect TNJH's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director or an employee of the TNJH or might result in a possible inappropriate excess benefit transaction. This policy is intended to supplement but not to supersede any applicable state and federal laws relating to conflicts of interest.

I. General Standards

All directors and employees of TNJH have a duty of loyalty to TNJH, which includes:

1. exercising utmost good faith in all matters relating to their duties and responsibilities to TNJH; and
2. acting in a manner reasonably believed to be in the best interest of TNJH when discharging their duties.

II. Confidential Information

Each director and employee must protect the confidential information of TNJH and may not use any confidential information of TNJH for personal gain. Confidential information includes any information that is designated so or that a reasonable person would, in light of the nature of the information and the circumstances surrounding its disclosure, consider confidential or proprietary, including, but not limited to, financial information, payor information, computer software, donor lists, patient/client/family, director, employee and consultant information.

III. Appropriation of Corporate Opportunity

A director or employee may not participate in a transaction the director or employee knows or has reason to believe would fall within the present plans of TNJH without making prior written disclosure to the president or the chair of the Board of Directors of The New Jewish Home and the president of the board of directors of each affiliate that would be affected by the transaction or a potential conflict of interest (the “Affected Governing Board”). After such disclosure, the disclosing party must abide by the decision of the President, Board Chair or relevant committee or governing board (see Section IV(3)).

IV. Disclosure of Potential Conflict of Interest

1. Definition of Potential Conflict of Interest

A director or employee has a potential conflict of interest if the director or employee or a Related Person (as defined below) is known to have a direct, indirect or potential financial interest or other interest in or relationship (including board membership) with any business or entity which has a business, financial or competitive relationship with TNJH or with a benefit plan or fund of TNJH. Ownership of less than 5% of the outstanding shares of a publicly traded company will not be deemed a potential conflict of interest.

A "Related Person" is a person's spouse or partner, parent, descendants, parents' descendants and spouse's or partner's parent's descendants.

A person has a "financial interest" if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which TNJH has a transaction or arrangement,
- (b) A compensation arrangement with any entity or individual with which TNJH has a transaction or arrangement, or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which TNJH is negotiating a transaction or arrangement.

For purposes of these definitions "compensation" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Notwithstanding anything in these definitions to the contrary, the provision of *pro bono*, volunteer and other uncompensated services to TNJH shall not be deemed to create a financial interest with TNJH.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists (see Section IV(3)).

2. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested director or employee ("interested person") must disclose the existence and nature of his or her financial interest and all material facts as follows:

- (a) Employees must make disclosures to the president of The New Jewish Home and the president of the Affected Governing Board.
- (b) Directors and the president must make disclosures to the chair of the Board of Directors of The New Jewish Home and the chair of the Affected Governing Board.
- (c) The chair must make disclosures to the Audit and Compliance committee of The New Jewish Home's Board. The committee chair will then report the disclosures to the full board of The New Jewish Home and the Affected Governing Board.

3. Procedure

The determination of whether a conflict of interest exists will be by the board of directors of The New Jewish Home or a committee appointed by the board.

Procedure for Determining if a Conflict of Interest Exists:

- (a) An interested person may make a presentation at a board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The remaining board or committee members shall decide if a conflict of interest exists.
- (b) The chair of the board or committee making the determination shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the board or committee shall determine whether TNJH can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in TNJH's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

If the president, the chair of the Board of Directors or the appointed committee of the Board determines that there is a potential conflict of interest, the following shall apply:

- (a) The individual in question may take no part in TNJH decisions to which the conflict relates.
- (b) In addition, with reference to employees, the president or the chair of the Board of Directors may prohibit the activity giving rise to the conflict.
- (c) In addition, with reference to directors, if the conflict involves a matter under consideration by the Board of Directors or a committee thereof, the director:
 - (i) shall disclose such interest to the other members of the Board or committee as soon as the conflict is identified; and
 - (ii) shall not be present during deliberations on such transaction, vote on such transaction or attempt to influence the decision directly or indirectly.

Such disclosure and the fact that the conflicted director did not vote or participate in the deliberations shall be recorded in the relevant minutes, specifically naming the conflicted director.

V. Related Persons as Residents or Clients

It is the policy of TNJH to give priority admissions to relatives of directors and employees. Such relatives will be treated in the same manner as other residents, patients or clients and no priority will be given to them with respect to care or financial matters. In the event that a director or employee has a Related Party who is or becomes a resident or client of a program of TNJH, they must disclose this relationship. The financial records of the related clients will be audited annually by the Chief Compliance Officer, and the findings of such audit shall be reported to the Board.

VI. Appointment as Fiduciary

If a director or employee of TNJH (or their designee) is nominated as a fiduciary under an *inter vivos* instrument or Will of a resident or client of TNJH, as the result of a relationship which originated at TNJH, such appointment shall not be accepted until (a) the nomination has been disclosed in writing to the president of The New Jewish Home, and (b) the president has issued written approval for the appointment. In any such case, statutory or other fees earned in such fiduciary capacity shall be waived or paid over by the director or employee to TNJH.

VII. Gifts

Directors and employees of TNJH (and their Related Parties) may not solicit or accept gifts (including legacies), gratuities, payments or other consideration of any kind, loans (other than from financial institutions) or other favors from, or on account of, any person or organization arising (i) because such person is or was a client of TNJH; or (ii) because such person or organization does, or is seeking to do, business or establish another relationship with TNJH or with a benefit plan or investment fund of TNJH.

Notwithstanding the foregoing, directors and employees (and their related Parties) may accept token gifts and reasonable business meals. Travel and entertainment provided by such persons or organizations in the ordinary course of business are generally prohibited, but may be approved by the president or chair on a case-by-case basis.

Gifts are considered "token gifts" when they are of such limited value that they could not reasonably be perceived as an attempt to affect judgment of the recipient. Employees of TNJH are also bound by TNJH's policies and procedures on gifts.

VIII. Personal Use of Vendors

Directors or employees in a position to influence purchasing decisions must promptly disclose to the Compliance Office if within the last three years they (or their Related Parties) had, or are considering entering into, a personal transaction with a vendor or supplier known to be, or under consideration as, a vendor or supplier to TNJH. This requirement is in addition to the disclosure of a potential conflict of interest requirement of section IV above and the prohibition of certain gifts pursuant to section VII above.

IX. Business and Family Relationships

Directors and Key Employees (as that term is defined below), must disclose any Business Relationship or Family Relationships (as those terms are defined below) they may have with other Directors and Key Employees. This is an IRS reporting requirement.

tests: A “Key Employee” an employee of TNJH (other than a director) who meets both of the following

- (a) Receives annual total compensation from TNJH in excess of \$150,000.
- (b) The employee:
 - (i) has responsibilities, powers or influence over TNJH as a whole similar to those of directors;
 - (ii) manages a discrete segment or activity of a TNJH or TNJH affiliate that represents 10% or more of the activities, assets, income, or expenses of the affiliate, as compared to TNJH or the affiliate as a whole; or
 - (iii) has or shares authority to control or determine 10% or more an affiliate’s capital expenditures, operating budget, or compensation for employees.

“Business Relationships” include, but are not limited to: direct employment; serving on the board of one another’s or a common business other than TNJH; common investment of over 10% of the same company; financial transactions totaling over \$10,000. Reportable Business relationships do not include attorney-client or physician-patient relationships.

“Family Relationships” are any relationship by blood, marriage, civil union, domestic partnerships or adoption.

X. Violations of the Conflicts of Interest Policy

1. If the president, board or committee has reasonable cause to believe an employee or director has failed to disclose actual or possible conflicts of interest, it shall inform the employee or director of the basis for such belief and afford the employee or director an opportunity to explain the alleged failure to disclose.

2. If, after hearing the member’s response and after making further investigation as warranted by the circumstances, the president, board or committee determines the employee or member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

XI. Questionnaire and Statement

1. It is the responsibility of all directors and employees of TNJH to familiarize themselves with this Policy and to comply and to ensure compliance of Related Parties with it.

2. In addition to the appropriate disclosures required by this Policy, the following persons must complete, sign and return to the president a questionnaire and statement concerning this Policy: (a) directors of TNJH; (b) Senior Management; (c) all persons employed in the materials management or purchasing departments of TNJH; (d) department heads of TNJH; (e) other employees, of TNJH (“Designated Employees”), including physicians, nurse practitioners and others who are in a position to influence vendor selection or to approve the expenditure of funds, as determined by the president; (f) all members of the development staff.

All directors are required to return the questionnaire and statement on an annual basis. Other employees are required to return the questionnaire in accordance with the schedule determined by the president.

3. The questionnaire and statement will require the recipient to disclose all financial interests and to affirm that the recipient:

- (a) has received a copy of the conflicts of interest policy,
- (b) has read and understands the policy,
- (c) has agreed to comply with the policy, and
- (d) understands that many of The New Jewish Home affiliates are charitable organizations and that in order to maintain their federal tax exemption they must engage primarily in activities which accomplish one or more of their tax-exempt purposes.

XII. Report to the Board of Directors

The chair and the president shall report to the board of The New Jewish Home at least once annually concerning any disclosures of potential conflicts of interest made to them, and any other conflicts of interest which have occurred and the steps that were taken to resolve those conflicts.

THE NEW JEWISH HOME
CONFLICTS OF INTEREST QUESTIONNAIRE AND STATEMENT

1. Do you know of any transactions involving yourself which, in view of The New Jewish Home's Policy on Conflicts of Interest, might give rise to a conflict of interest? (Note that undefined terms in this Questionnaire have the same meaning as set forth in such Policy.)

Yes No

2. Do you know of any transactions involving other people which, in view of The New Jewish Home's Policy on Conflicts of Interest, might give rise to a conflict of interest?

Yes No

3. Do you or, to the best of your knowledge, does any Related Party of yours, have any financial interest in or relationship (including board membership) with

(a) any company, partnership or other entity (whether for-profit or not-for-profit) which sells or leases equipment, supplies, products or services to TNJH?

Yes No

(b) any company, partnership or other entity (whether for-profit or not-for-profit) which has any other relationship with TNJH, including affiliations and the joint provision of services?

Yes No

(c) any organization (whether for-profit or not-for-profit) which provides health care or social services in communities served by TNJH (for example, Mount Sinai and Westchester Community Services)? If yes, please specify and indicate any instances in which such relationship has caused a conflict with your duties to TNJH and/or any instances in which it is possible for such a conflict to arise in the future.

Yes No

4. Have you, or to the best of your knowledge, has any Related Party of yours, been offered or accepted any gift (including any legacy), gratuity, loan, or other consideration that must be disclosed pursuant to The New Jewish Home's Policy on Conflicts of Interest since the last date you completed this questionnaire (or since the date of your employment, if applicable) from:

(a) any person who is or was a client of TNJH; or

Yes No

(b) any company, partnership or other entity which sells or leases equipment, supplies, products or services to The New Jewish Home or has any other relationship with TNJH?

Yes No

5. Do you or, to the best of your knowledge, does any Related Party of yours, have any financial interest, direct or indirect, in any pending or completed transaction to which TNJH is, or is likely to become, a party?

Yes No

(Over please)

6. Has a person who was or is a client of TNJH named you as an executor, a Trustee, or an attorney-in-fact at any time after the person became a client of TNJH?

Yes No

7. Have you participated in a transaction which may have been of interest to TNJH (or are you considering doing so) since the last date you completed this questionnaire (or since the date of your employment, if applicable). This would include any personal use of a vendor to TNJH.

Yes No

8. Do you have any relatives who receive services through any division of The New Jewish Home or its affiliates?

Yes No

9. Do you have a Business Relationship or Personal Relationship with any other Director, Officer or Employee that may be reportable as described in Section IX of the policy?

Yes No

If you have answered yes to any of the above questions, please explain below (add extra sheets as necessary):

Please type any additional information here

I hereby certify as follows:

- (a) I have read and understand The New Jewish Home's Policy on Conflicts of Interest,
- (b) I have been in compliance with it since the date of my last certification (or since the date of my employment, if applicable) and agree to remain in compliance with the policy,
- (c) The answers to the above questions are true and correct,
- (d) I understand that it is my obligation to keep my response to the above questions current at all times by immediately notifying the president or the chairman in writing of any changes
- (e) I understand that many of The New Jewish Home affiliates are charitable organizations and that in order to maintain their federal tax exemption they must engage primarily in activities which accomplish one or more of their exempt purposes.
- (f) I understand that typing my name in the space labeled "Signature" below and emailing this completed Conflicts of Interest Questionnaire to dpenny@jewishhome.org constitutes my legal signature on this document.

Click here to enter text.	Click here to enter text.	Click here to enter text.
Date:	e-mail Address	Signature